

COTTONWOOD HEIGHTS

RESOLUTION No. 2021-57

A RESOLUTION APPROVING AN UPDATE OF THE CITY'S MODERATE-INCOME/AFFORDABLE HOUSING PLAN

WHEREAS, the city of Cottonwood Heights (the "City") heretofore has entered into a consulting agreement (the "Agreement") with GSBS, PC d/b/a GSBS Richman Consulting ("Consultant") whereunder Consultant reviewed, evaluated and updated the City's moderate-income/affordable housing plan (the "Plan") pursuant to UTAH CODE ANN. 10-9a-408 and other applicable law, as described in the Agreement; and

WHEREAS, Consultant now has completed its services under the Agreement and presented the proposed Plan to the City's city council (the "Council") for its consideration; and

WHEREAS, the Council has reviewed the Plan, a copy of which is annexed hereto; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interests of the health, safety and welfare of the citizens of the City to approve the Plan;

NOW, THEREFORE, BE IT RESOLVED by the Cottonwood Heights city council that the attached Plan is hereby approved and adopted as the City's required moderate income/affordable housing plan.

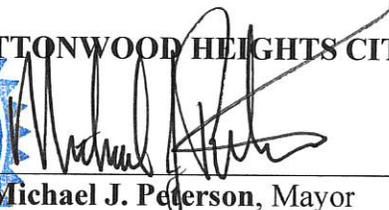
This Resolution, assigned no. 2021-57, shall take effect immediately upon passage.

PASSED AND APPROVED effective 16 November 2021.

ATTEST:

By: 
Paula Melgar, Recorder



COTTONWOOD HEIGHTS CITY COUNCIL
By: 
Michael J. Peterson, Mayor

VOTING:

Michael J. Peterson	Yea <input checked="" type="checkbox"/>	Nay <input type="checkbox"/>
Douglas Petersen	•Yea <input checked="" type="checkbox"/>	Nay <input type="checkbox"/>
J. Scott Bracken	•Yea <input checked="" type="checkbox"/>	Nay <input type="checkbox"/>
Tali C. Bruce	Yea <input type="checkbox"/>	Nay <input type="checkbox"/>
Christine Watson Mikell	Yea <input type="checkbox"/>	Nay <input type="checkbox"/>

excused
excused

DEPOSITED in the office of the City Recorder this 16th day of November 2021.

RECORDED this 17 day of November 2021.

2021

Moderate Income Housing Plan Update

2021

GSBS CONSULTING

Summary of Five-Year Housing Needs for Cottonwood Heights

GSBS Consulting Conducted the 2021 annual Moderate-Income Housing review for Cottonwood Heights. This includes a 5-year housing need projection for the municipality. In the table below, the first column for each year represents the number of rental units affordable at the various income levels present in the community. The second column represents the number of renter households with incomes within that bracket and the "Gap" column is the difference between the two. In 2021, the "gap" in housing affordable to households with very low incomes, below 30 percent AMI, increased from 265 to 318 in the two years between 2019 and 2021.

Rental Housing Need by Income Bracket

Income Band	2021 Occupied Rental Units	2021 Renter Households	2021 Housing Surplus/ (Gap)	2019 Occupied Rental Units	2019 Renter Households	2019 Housing Surplus/ (Gap)
≤30% AMI	152	470	(318)	130	395	(265)
>30% to ≤50% AMI	1059	355	704	568	420	148
>50% to ≤80% AMI	1563	675	888	2104	595	1,509
80% + AMI	720	1,929	(1,209)	568	1,940	(1,372)
Total	3,370	3,429	65	3,370	3,350	20

Source 1: U.S. Census Bureau 2019 5-year ACS Table B25063

Source 2: 2013-2017 U.S. Department of Human and Urban Development

Projected Growth of Households

	2011 ACS	2019 ACS	2026 Projection	Difference
Total households in occupied housing units	12,111	12,937	13,752	815
Total households in owner-occupied housing	8,682	9,443	10,180	737
With a Mortgage	5,844	6,234	6,831	597
Without a Mortgage	2,838	3,209	3,349	140
Total households in renter-occupied housing	3,429	3,494	3,590	96

Source 1: U.S. Census Bureau 2018 5. Table B25003: Tenure. American Community Survey 2018 5-year ACS.

Source 2: U.S. Census Bureau. Table B25081: Mortgage status. American Community Survey.

Average Household Size	2011 ACS	2019 ACS	2026 Projection
	2.77	2.63	2.54
Average Owner Household Size	2.89	2.69	2.55
Average Renter Household Size	2.46	2.45	2.44

Source 1: U.S. Census Bureau. Table B25010: Average household size of occupied housing units by tenure. American Community Survey 2018 5-year ACS.

Projected Housing Stock

Supply of housing units by structure type in Cottonwood Heights city				
Housing Type	2011 ACS	2019 ACS	2026 Projection	Difference between 2019 and 2026
TOTAL HOUSING UNITS	13,165	13,883	14,410	527
Total occupied units	12,111	12,937	13,770	833
Owner-occupied structures	8,682	9,443	10,180	737
1 unit, detached	7,822	8,644	9,325	681
1 unit, attached	408	361	401	40
2 units	22	62	140	78
3 or 4 units	11	14	28	14
5 to 9 units	136	161	241	80
10 to 19 units	115	124	43	-81
20 to 49 units	143	44	-39	-83
50 or more units	25	28	11	-17
Mobile homes	0	5	31	26
Boat, RV, van, etc.	0	0	-1	-1
Renter-occupied structures	3,429	3,494	3,590	96
1 unit, detached	613	764	828	64
1 unit, attached	144	365	589	224
2 units	373	393	298	-95
3 or 4 units	294	144	-26	-170
5 to 9 units	459	454	504	50

10 to 19 units	846	685	536	-149
20 to 49 units	398	228	218	-10
50 or more units	302	436	602	166
Mobile homes	0	25	42	17
Boat, RV, van, etc.	0	0	0	0

Source 1: U.S. Census Bureau. Table B25001: Total housing units. American Community Survey.

Source 2: U.S. Census Bureau. Table B25032: Tenure by units in structure. American Community Survey 2018 5-year ACS.

Projected Median Monthly Housing Cost

Monthly housing costs in Cottonwood Heights city				
Cost Type	2011 ACS	2019 ACS	2026 Projection	Difference between 2019 and 2026
Total owner-occupied housing unit costs	\$1,354	\$1,462	\$1,550	\$88
Units with a mortgage	\$1,720	\$1,937	\$2,055	\$118
Units without a mortgage	\$456	\$560	\$617	\$57
Median gross rent	\$941	\$1,230	\$1,509	\$279

Source 1: U.S. Census Bureau. Table B25088: Median selected monthly owner costs (Dollars) by mortgage status. American Community Survey.

Source 2: U.S. Census Bureau. Table B25064: Median gross rent (Dollars). American Community Survey 2018 5-year ACS.

Projected Median Income

	2011 ACS	2019 ACS	2026 Projection	Difference between 2011 and 2026
Median household income	\$72,492	\$93,564	\$108,423	\$14,859
Owner-occupied income	\$87,367	\$109,467	\$129,595	\$20,128
Renter-occupied income	\$50,526	\$61,583	\$69,084	\$7,501

Source 1: U.S. Census Bureau. Table B25119

Source 2: U.S. Census Bureau. Table B25064: Median gross rent (Dollars). American Community Survey 2018 5-year ACS.

Report on Moderate Income Strategy Implementation

Strategy 1:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**
Allow for higher density or moderate-income residential development in commercial and mixed-use zones, commercial centers, or employment centers (10-9a-403(b)(iii)(F))
2. **Please state the municipality's goal(s) associated with the strategy**
Goal: Provide diverse housing options for residents and offer access to employment, cultural experience, and multimodal transportation options.
3. **What are the specific outcomes that the strategy intends to accomplish?**
-Provide diverse housing options along major corridors and commercial areas, specifically along the nodes of Fort Union.
-Improve pedestrian and bike connectivity within mixed use areas and connect into the surrounding neighborhoods.
4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**
-The city tracks the number of moderate-income housing in developments along the corridor to ensure inclusion of affordable units.
5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**
 - **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.**
-Implement a land use strategy compatible with medium- to high-density mixed-use development to encourage a shift from commercial only.
- Identify a form-based code that will guide development design and character.
- Improve active transportation infrastructure along Fort Union Boulevard.
- Identify parking strategies for density areas and revise parking standards to accommodate higher density residential development.
 - **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a**
 - The city and legislative body must adopt compatible land use and parking strategies.
 - The city must actively promote mixed use along development corridors and assist in the implementation of improved active transportation infrastructure by seeking grant funding from Salt Lake County.
 - **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.**
 - The city must maintain staffing and resources to acquire grant funding from Salt Lake County to implement improved active transportation infrastructure.
 - The city must account for any costs outside of grant funding received for the project.
 - **Please state specific deadlines for completing the key tasks of each stage identified in item 5a**
Higher density standards are currently in place with landowners and developers taking advantage of permitted high density areas.

- The timeline for improved active transportation infrastructure has an outlook which will be dependent on grant funding. A timeline will be identified in the upcoming General Plan Update.
- **Which of the tasks stated in item 5a have been completed so far, and what have been their results**
 - The city has amended its long-range land use map for mixed use development within the nodes of Fort Union. Developers and landowners are actively taking advantage of this change.
 - The city has two upcoming projects under this provision, multifamily replacing single family with an allotted number of moderate-income units available.
 - The city removed density limits to specific uses along corridors. This is reflected in several upcoming developments with increased density.
 - city has high permitted density, which will be addressed in the upcoming General Planning process.
- **How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals? Barriers to density will be evaluated in an upcoming General Planning process.**
 - New ordinance will look for ways to incentivize affordable multifamily units. (c)

Strategy 2:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**
Implement zoning incentives for low to moderate income units on a long-term basis (10-9a-403(b)(iii))
2. **Please state the municipality's goal(s) associated with the strategy**
Goal: The city would like to use zoning incentives to provide additional low- and moderate-income units within developments.
3. **What are the specific outcomes that the strategy intends to accomplish?**
The targeted outcome is an increased number of housing units for low- to moderate-income residents.
4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**
The city as created one specific ordinance that creates opportunity for a planned development district. The city also actively tracks projects that are using the zoning incentives tool to ensure that new development provides moderate income housing in projects. The city also requires developers to submit quarterly reports on the number of affordable units in addition to information on how the units are marketed.
5. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**
 - a. **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item** Implement provision allowing density bonuses and expedited approvals for developers including a specified number of low- and moderate-income housing options. This allows for 10 percent bonus for structures with 50 or more units. The city is also in the process of establishing deed restricted units in upcoming development to maintain affordability though land transfers.
 - b. **Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a**

The zoning tool for zoning incentives is already in place requiring no action other than administrative work and approval. City Council must approve proposed developments.

- c. **Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.**

N/A - Targets areas for redevelopment, tools are already in place.

- d. **Please state specific deadlines for completing the key tasks of each stage identified in item 5a**

N/A - The strategy is in place.

- e. **Which of the tasks stated in item 5a have been completed so far, and what have been their results?**

The city has implemented a density bonus system which has funded over twenty 50-percent AMI units.

- One project is fully entitled – 21 units at 50% AMI, this accounts for 10 percent of the total units projected for development. This project is under construction... This
- A second project is undergoing permitting and plan preparation with 42 units at 50-80 percent AMI. This 6-phase development process will include affordable housing in the first phase with 15 percent of the units being affordable.
- A third development is expected which will have affordable units. This project is under review.

- f. **How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?**

The Code requires 50 percent AMI. Without subsidies, the city experiences pushback from developers. There are no current CRAs in place to better facilitate this.

Strategy 3:

1. **State strategy municipality included in the moderate-income housing element of its general plan below.**

Utilize a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency (10-9a-403(b)(iii)(V))

2. **Please state the municipality's goal(s) associated with the strategy**

Goal: Increase amount of low- and moderate-income housing options through funding strategy for reinvestment areas.

3. **What are the specific outcomes that the strategy intends to accomplish?**

The city would like to increase the number of low- and moderate-incoming options for residents and identify future reinvestment project areas dedicated for housing.

4. **Please describe how the municipality has monitored its annual progress toward achieving the goal(s).**

The city began this process immediately before COVID. The process was temporarily paused due to a reduced funding options during COVID. The project was recently restarted and is under development. **In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.**

- a. **Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.**

- Adhere to the Renewal Agency Act by setting aside 10 percent of CRA funds to the creating of moderate-income housing.
 - Creation of additional reinvestment project areas.
- b. Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a
- CDRA
 - Taxing entities in the city
- c. Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.
- Primary resources all allocated towards administrative costs of CRAs.
 - Resources will be allocated once tax increment once approved.
- d. Please state specific deadlines for completing the key tasks of each stage identified in item 5a
- The city is revising the project plan based on Salt Lake County funding with a two-three month project area plan outlook.
- e. Which of the tasks stated in item 5a have been completed so far, and what have been their results.
- The city is developing two CRAs, both of which will be tracked once completed.
- f. How is the municipality addressing results described in 5e that deviate from the desired outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?
- The city restarted negotiation after a pause due to COVID. The project is currently undergoing reevaluation to update the plan process.

Strategy 4:

1. State strategy municipality included in the moderate-income housing element of its general plan below.
Create or allow for, and reduce regulations related to, accessory dwelling units in residential zones.
2. Please state the municipality's goal(s) associated with the strategy
Increase opportunity for rentership for a diversity of incomes in Cottonwood Heights.
3. What are the specific outcomes that the strategy intends to accomplish?
 - Provide housing options for individuals and families in all stages of life and/or with moderate income who might otherwise have difficulty finding adequate housing within the city;
 - Provide opportunities to offset rising housing costs and promote reinvestment in existing single-family residential zones;
 - Preserve the character of single-family neighborhoods through adequate standards governing ADUs; and
 - Comply with UTAH CODE ANN. 10-9a-530, which designates internal ADUs as permitted uses in all single-family residential zones and imposes limitations on the extent that municipalities may regulate ADUs.
4. Please describe how the municipality has monitored its annual progress toward achieving the goal(s).

The city recently adopted an ADU ordinance which requires an approval process through permitting. Permits are renewed annually to allow the city to monitor the number and quality of ADU units in the city.

In the boxes below, outline the following objectives associated with the goal(s) stated in item 2.

- a. Please identify the key tasks of each stage needed to accomplish the goal(s) stated in item 2.
 - Annual permit renewal and initial inspection for all units.
 - The city must monitor all units to ensure compliance with existing zoning, fire, and building code requirements.
- b. Please identify the primary parties that are responsible for completing the key tasks of each stage identified in item 5a
 - Homeowners are required to file an ADU application form, provide payment of all applicable fees; complete a satisfactory property inspection. The homeowner must also sign an affidavit.
 - The city must issue necessary building permits and conduct a property inspection.
- c. Please describe the resources that the municipality must allocate to complete the key task of each stage identified in item 5a.
 - The city must allot personnel for inspection and processing of application and permit.
- d. Please state specific deadlines for completing the key tasks of each stage identified in item 5a
None, this strategy is underway.
- e. Which of the tasks stated in item 5a have been completed so far, and what have been their results?
ADU ordinance is adopted, annual permit review must occur.
- f. How is the municipality addressing results described in 5e that deviate from the desired? outcomes specified in item 3? What barriers has the municipality encountered during the course of implementation of said goals?

While ADUs were not originally identified as a tool to achieve the city's affordable housing goals, recent state legislature mandated that all cities in Utah permit internal accessory dwelling units. Cottonwood Heights has recently enacted an ordinance permitting both internal and detached accessory dwelling units and will monitor the number of ADU licenses received. The allowance of ADUs does not impact the other goals identified by the city.